

10. FEDERAL EMPLOYMENT AND COMPENSATION

This section provides information on civilian employment policy as well as civilian and military employment, and personnel compensation and benefits, in the Executive, Legislative, and Judicial branches. A comparison of Federal employment levels, State and local government employment, and the United States population appears in the Historical Tables. Additional tables on civilian employment reductions appear in the Budget volume.

Civilian Employment Policy

The Administration policy is to provide Executive Branch agencies with flexibility to hire the right numbers of staff to meet program requirements. While it is not the norm, agency or sub-agency employment targets may be necessary when it is determined to be the most efficient or effective method of achieving Administration goals.

Federal Civilian Employment in the Executive Branch

Civilian employment in the Executive Branch is measured on the basis of full-time equivalents (FTEs). One FTE is equal to one work year or 2,080 non-overtime hours. Put simply, one full-time employee counts as one FTE, and two half-time employees also count as one FTE.

The Federal Workforce Restructuring Act (FWRA) of 1994 (P.L. 103-226) was enacted March 30, 1994. The Act established FTE limitations ("ceilings") for Executive Branch civilian employees through 1999. The starting point used to calculate FTE reductions required by the FWRA, called the 1993 base, is the estimate of FTEs for 1993 made in January of that year. Between the 1993 base and FY 1999, the Act requires a cut of 272,900 FTEs. The 2000 budget continues the implementation of the reductions pursuant to the Act. The limitations established by the Act, as well as the reductions to date, are as follows:

Year	FWRA Ceiling	Civilian FTEs	Cumulative reduction From 1993	Reduction as percent of 272,900 cut
1993 Base	2,155,200			
1994	2,084,600	2,052,700	-102,500	38%
1995	2,043,300	1,970,200	-185,000	68%
1996	2,003,300	1,891,700	-263,500	97%
1997	1,963,300	1,834,700	-320,500	117%
1998	1,922,300	1,790,200	-365,000	134%
1999 est.	1,882,300	1,801,600	-353,600	130%

Table 10-1 provides agency-wide totals from the 1993 base through 2000.

Allocations of FTE resources by agency are made based upon Presidential priorities and other factors. While most of the agencies in Table 10-1 show FTE reductions between 1993 and 2000, several agencies, such as the Department of Commerce and the Department of Justice, show an increase in FTEs.

Recent Trends in Civilian Employment Estimates in the Executive Branch

Each year the Budget reports actual FTEs in the prior year column, and estimates of FTEs in the current and budget years. In four of the five years since the FWRA was enacted, the current year FTE estimates for nearly all agencies in the Budget have been overstated when compared to the actual published in the following year's Budget. The table below shows this trend:

Year	Estimate	Actual	Over-Statement
1994	2,042.1	2,052.7	-10,700 (-0.5%)
1995	2,017.8	1,970.2	+47,600 (+2.4%)
1996	1,940.8	1,891.7	+49,100 (+2.5%)
1997	1,881.3	1,834.7	+46,600 (+2.5%)
1998	1,837.4	1,790.2	+47,200 (+2.6%)

Total Federal Employment Levels

The tables that follow show total Federal employment in all branches of Government, as well as the U.S. Postal Service, Postal Rate Commission, and active duty uniformed military personnel. Table 10-2 displays total Federal employment as measured by actual positions filled, i.e., the total number of employees, whether full-time, part-time or intermittent, at the end of the fiscal year. Table 10-3 shows total Federal employment as measured on an FTE basis.

Personnel Compensation and Benefits

Table 10-4 displays personnel compensation and benefits for all branches of Government, as well as for military personnel.

Direct compensation of the Federal work force includes base pay and premium pay, such as overtime. In addition, it includes other cash components, such as geographic pay differentials (i.e., locality pay, and special pay adjustments for law enforcement officers), recruitment and relocation bonuses, retention allowances, performance awards, and cost-of-living and overseas allowances.

In the case of military personnel, compensation includes basic pay, special and incentive pays (including enlistment and reenlistment bonuses), and allowances for clothing, housing, and subsistence.

Related compensation in the form of personnel benefits for current employees consists of the cost to Government agencies (as an employer) primarily for health insurance, life insurance, Social Security (old age, survivors, disability, and health insurance) and contribu-

tions to the retirement funds to finance future retirement benefits. Compensation for former personnel includes outlays for retirement pay benefits, and the Government's share of the cost of health and life insurance.

Table 10-1. FEDERAL EMPLOYMENT IN THE EXECUTIVE BRANCH

(Civilian employment as measured by Full-Time Equivalents, in thousands)

Agency	1993 Base	Actual						Estimate		Change: 1993 base to 2000	
		1993	1994	1995	1996	1997	1998	1999	2000	FTE's	Percent
Cabinet agencies:											
Agriculture ¹	115.6	114.4	109.8	103.8	100.7	98.5	96.4	98.0	97.6	-18.0	-15.6%
Commerce	36.7	36.1	36.0	35.3	33.8	32.6	35.7	47.5	92.9	56.1	152.9%
Defense-military functions	931.3	931.8	868.3	821.7	778.9	745.8	707.2	686.5	662.9	-268.4	-28.8%
Education	5.0	4.9	4.8	4.8	4.7	4.5	4.5	4.7	4.7	-0.3	-5.7%
Energy	20.6	20.3	19.8	19.7	19.1	17.3	16.3	16.5	16.2	-4.4	-21.5%
Health and Human Services ¹	65.0	66.1	62.9	59.3	57.2	57.6	57.9	60.5	62.0	-2.9	-4.5%
Social Security Administration	65.4	64.8	64.5	64.6	64.0	65.2	64.0	63.8	63.6	-1.8	-2.8%
Housing and Urban Development	13.6	13.3	13.1	12.1	11.4	11.0	9.8	10.6	10.6	-3.0	-22.3%
Interior	79.3	78.1	76.3	72.0	66.7	65.7	66.5	68.3	69.9	-9.4	-11.8%
Justice	99.4	95.4	95.3	97.9	103.8	111.0	117.3	124.1	128.7	29.3	29.5%
Labor	18.3	18.0	17.5	16.8	16.0	15.9	16.3	16.9	17.4	-0.9	-5.1%
State	35.0	34.2	33.5	31.8	30.2	29.2	26.4	26.9	27.6	-7.4	-21.2%
Transportation	70.3	69.1	66.4	63.2	62.4	62.5	63.4	65.0	65.8	-4.6	-6.5%
Treasury	166.1	161.1	157.3	157.5	151.1	145.5	142.1	145.4	146.1	-20.0	-12.0%
Veterans Affairs ¹	232.4	234.2	233.1	228.5	221.9	211.5	207.1	205.4	197.9	-34.5	-14.8%
Other agencies—excluding Postal Service:											
Agency for International Development ¹	4.4	4.1	3.9	3.6	3.4	2.8	2.7	2.6	2.6	-1.8	-41.2%
Corps of Engineers	29.2	28.4	27.9	27.7	27.1	26.0	24.8	25.2	24.7	-4.5	-15.3%
Environmental Protection Agency	18.6	17.9	17.6	17.5	17.2	17.0	17.7	18.4	18.4	-0.2	-0.9%
Equal Employment Opportunity Commission	2.9	2.8	2.8	2.8	2.7	2.6	2.5	2.8	2.9	0.1	3.2%
Federal Emergency Management Agency	2.7	4.0	4.9	4.6	4.7	5.1	4.6	4.6	4.7	2.0	72.4%
FDIC/RTC	21.6	21.9	20.0	15.7	11.8	8.7	7.9	7.3	6.9	-14.6	-67.9%
General Services Administration	20.6	20.2	19.5	17.0	15.7	14.5	14.1	14.2	14.2	-6.5	-31.5%
National Aeronautics and Space Administration	25.7	24.9	23.9	22.4	21.1	20.1	19.1	18.8	18.2	-7.6	-29.4%
National Archives and Records Administration	2.8	2.6	2.6	2.4	2.5	2.5	2.4	2.6	2.6	-0.1	-3.7%
National Labor Relations Board	2.1	2.1	2.1	2.0	1.9	1.9	1.9	1.9	2.0	-0.1	-6.7%
National Science Foundation	1.3	1.2	1.2	1.2	1.3	1.2	1.2	1.2	1.2	-0.1	-10.7%
Nuclear Regulatory Commission	3.4	3.4	3.3	3.2	3.1	3.0	3.0	2.9	2.8	-0.6	-17.6%
Office of Personnel Management	6.2	5.9	5.3	4.2	3.4	2.8	2.8	3.0	3.0	-3.2	-51.9%
Panama Canal Commission	8.7	8.5	8.5	8.8	9.0	9.5	9.6	10.2	2.5	-6.2	-71.0%
Peace Corps	1.3	1.2	1.2	1.2	1.1	1.1	1.1	1.2	1.2	-0.1	-4.8%
Railroad Retirement Board	1.8	1.8	1.7	1.6	1.5	1.4	1.3	1.2	1.2	-0.7	-37.2%
Securities and Exchange Commission	2.7	2.7	2.7	2.7	2.8	2.8	2.8	2.8	2.9	0.2	5.8%
Small Business Administration	4.0	5.6	6.3	5.7	4.7	4.5	4.4	4.6	4.6	0.6	15.4%
Smithsonian Institution	5.9	5.5	5.4	5.3	5.1	5.0	5.0	5.2	5.2	-0.6	-10.9%
Tennessee Valley Authority	19.1	17.3	18.6	16.6	16.0	14.9	14.4	13.9	13.7	-5.4	-28.4%
All other small agencies	15.9	15.2	14.7	14.9	13.9	13.6	16.0	17.0	17.3	1.5	9.2%
Total, Executive Branch civilian employment	2,155.2	2,138.8	2,052.7	1,970.2	1,891.7	1,834.7	1,790.2	1,801.6	1,816.8	-338.4	-15.7%
Reduction from 1993 Base		-16.4	-102.5	-185.0	-263.5	-320.5	-365.0	-353.6	-338.4		
Subtotal, Defense	931.3	931.8	868.3	821.7	778.9	745.8	707.2	686.5	662.9	-268.4	-28.8%
Subtotal, Non-Defense	1,223.9	1,207.1	1,184.4	1,148.4	1,112.8	1,088.9	1,083.0	1,115.2	1,153.9	-70.0	-5.7%
Status of Federal Civilian Employment Relative to the Federal Workforce Restructuring Act ²											
Total, Executive Branch Employment	NA	NA	2,052.7	1,970.2	1,891.7	1,834.7	1,790.2	1,801.6	NA	NA	NA
Less: FTEs exempt from FWRA	NA	NA	5.7	5.7	7.6	7.4	5.2	5.5	NA	NA	NA
Total, Executive Branch subject to FWRA Ceiling ...	NA	NA	2,047.0	1,964.4	1,884.1	1,827.3	1,785.0	1,796.1	NA	NA	NA
FWRA Ceiling	NA	NA	2,084.6	2,043.3	2,003.3	1,963.3	1,922.3	1,882.3	NA	NA	NA
Executive Branch Employment Relative to FWRA Ceiling	NA	NA	-37.6	-78.9	-119.2	-136.1	-137.3	-86.2	NA	NA	NA

¹ The Departments of Agriculture, Health and Human Services, Veterans Affairs, and the Agency for International Development have components that are exempt from FTE controls. In 1999, Agriculture has 2,128 exemptions; HHS has 358 exemptions; Veterans Affairs has 3,000 exemptions and AID has 10 exemptions.

² FTE limitations are set for the Executive Branch in the Federal Workforce Restructuring Act of 1994 (P.L. 103-226) from 1994-99.

Table 10-2. TOTAL FEDERAL EMPLOYMENT

(As measured by total positions filled)

Description	Actual as of September 30			Change: 1996 to 1998	
	1996	1997	1998	Positions	Percent
Executive branch civilian employment:					
All agencies except Postal Service and Postal Rate Commission:					
Full-time permanent	1,707,974	1,651,559	1,624,152	-83,807	-4.9%
Other than full-time permanent ¹	225,957	220,232	231,644	5,687	2.5%
Subtotal	1,933,931	1,871,791	1,855,796	-78,120	-4.0%
Postal Service: ²					
Full-time permanent	652,855	648,684	660,987	8,132	1.2%
Other than full-time permanent	199,478	204,666	210,533	11,055	5.5%
Subtotal	852,333	853,350	871,520	19,187	2.3%
Subtotal, Executive branch civilian employment	2,786,264	2,725,141	2,727,331	-58,933	-2.1%
Military personnel on active duty: ³					
Department of Defense	1,471,722	1,438,562	1,406,830	-64,892	-4.4%
Department of Transportation (Coast Guard)	35,243	35,137	35,459	216	0.6%
Subtotal, military personnel	1,506,965	1,473,699	1,442,289	-64,676	-4.3%
Subtotal, Executive Branch	4,293,229	4,198,840	4,169,605	-123,609	-2.9%
Legislative branch:					
Full-time permanent	13,288	12,696	12,399	-889	-6.7%
Other than full-time permanent	18,259	18,659	18,075	-184	-1.0%
Subtotal, Legislative Branch	31,547	31,355	30,474	-1,073	-3.4%
Judicial Branch:					
Full-time permanent	26,879	27,567	28,487	1,608	6.0%
Other than full-time permanent	2,702	3,074	3,255	553	20.5%
Subtotal, Judicial Branch	29,581	30,641	31,742	2,161	7.3%
Grand total	4,354,357	4,260,836	4,231,821	-122,521	-2.8%
ADDENDUM					
Executive branch civilian personnel (excluding Postal Service):					
DOD-Military functions ⁴	768,098	723,032	692,552	-75,546	-9.8%
All other executive branch	1,165,833	1,148,759	1,163,244	-2,574	-0.2%
Total ⁵	1,933,931	1,871,791	1,855,796	-78,120	-4.0%

¹ Includes Summer Aides, Stay-in-school, Junior Fellowship, Worker-Trainee Opportunity Program, formerly exempt from employment controls.² Includes Postal Rate Commission.³ Excludes reserve components.⁴ Excludes Defense Intelligence Agency.⁵ Includes disadvantaged youth programs.

Table 10–3. TOTAL FEDERAL EMPLOYMENT

(As measured by Full-Time Equivalents)

Description	1998 actual	Estimate		Change: 1998 to 2000	
		1999	2000	FTE's	Percent
Executive branch civilian personnel:					
All agencies except Postal Service and Defense	1,082,969	1,115,150	1,153,910	70,941	6.6%
Defense-Military functions (civilians)	707,242	686,458	662,928	-44,314	-6.3%
Subtotal, excluding Postal Service	1,790,211	1,801,608	1,816,838	26,627	1.5%
Postal Service ¹	837,399	842,422	847,259	9,860	1.2%
Subtotal, Executive Branch civilian personnel	2,627,610	2,644,030	2,664,097	36,487	1.4%
Executive branch uniformed personnel: ²					
Department of Defense	1,422,467	1,391,916	1,390,787	-31,680	-2.2%
Department of Transportation (Coast Guard)	35,130	35,183	35,828	698	2.0%
Subtotal, uniformed military personnel	1,457,597	1,427,099	1,426,615	-30,982	-2.1%
Subtotal, Executive Branch	4,085,207	4,071,129	4,090,712	5,505	0.1%
Legislative Branch: ³ Total FTE	30,415	30,755	30,900	485	1.6%
Judicial branch: Total FTE	30,192	31,547	31,970	1,778	5.9%
Grand total	4,145,814	4,133,431	4,153,582	7,768	0.2%

¹ Includes Postal Rate Commission.² Military personnel on active duty. Excludes reserve components. Data shown for Department of Defense are average strengths, not FTEs.³ Actual 1998 FTE data not available for legislative branch.

TABLE 10-4. PERSONNEL COMPENSATION AND BENEFITS

(In millions of dollars)

Description	1998 actual	Estimate		Change: 1998 to 2000	
		1999	2000	Dollars	Percent
Civilian personnel costs:					
Executive Branch (excluding Postal Service):					
Direct compensation:					
DOD—military functions	31,766	32,088	31,980	214	0.7%
All other executive branch	54,893	58,674	61,840	6,947	12.7%
Subtotal, direct compensation	86,659	90,762	93,820	7,161	8.3%
Personnel benefits:					
DOD—military functions	6,963	6,761	6,877	-86	-1.2%
All other executive branch ¹	21,760	23,058	24,316	2,556	11.7%
Subtotal, personnel benefits	28,723	29,819	31,193	2,470	8.6%
Subtotal, executive branch	115,382	120,581	125,013	9,631	8.3%
Postal Service:					
Direct compensation	34,704	35,640	36,744	2,040	5.9%
Personnel benefits	9,648	9,734	10,020	372	3.9%
Subtotal	44,352	45,374	46,764	2,412	5.4%
Legislative Branch: ²					
Direct compensation	1,273	1,356	1,434	161	12.6%
Personnel benefits	275	307	313	38	13.8%
Subtotal	1,548	1,663	1,747	199	12.9%
Judicial Branch:					
Direct compensation	1,625	1,776	1,910	285	17.5%
Personnel benefits	406	450	492	86	21.2%
Subtotal	2,031	2,226	2,402	371	18.3%
Total, civilian personnel costs	163,313	169,844	175,926	12,613	7.7%
Military personnel costs:					
DOD—Military Functions:					
Direct compensation	48,602	49,524	51,012	2,410	5.0%
Personnel benefits	17,674	17,874	19,136	548	3.1%
Subtotal	66,276	67,398	70,148	2,958	4.5%
All other executive branch, uniformed personnel:					
Direct compensation	1,172	1,233	1,297	125	10.7%
Personnel benefits	115	122	127	12	10.4%
Subtotal	1,287	1,355	1,424	137	10.6%
Total, military personnel costs ³	67,563	68,753	71,572	3,095	4.6%
Grand total, personnel costs	230,876	238,597	247,498	15,708	6.8%
ADDENDUM					
Former Civilian Personnel:					
Retired pay for former personnel	43,893	45,674	47,686	3,793	8.6%
Government payment for Annuitants:					
Employee health benefits	4,115	4,654	5,105	990	24.1%
Employee life insurance	30	35	36	6	20.0%
Total Former Civilian Personnel	48,038	50,363	52,827	4,789	10.0%
Former Military personnel:					
Retired pay for former personnel	584	615	659	75	12.8%

¹ In addition to the employing agency's contribution to the costs of life and health insurance, retirement and Medicare Hospital insurance, this amount includes transfers from general revenues to amortize the effects of general pay increases on Federal retirement systems for employees in the Legislative and Judicial Branches as well as employees (non-Postal) in the Executive Branch and to amortize supplemental liabilities under FERS. The transfers amounted to 8,381 million in 1998 and are estimated to be \$8,703 million in 1999 and \$9,121 million in 2000.

² Excludes members and officers of the Senate.

³ Excludes reserve components.